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Post Employment Medical Committee Meeting Minutes 12/02/2004

Post Employment Medical Benefits Committee
Organizational Meeting Memorandum
December 2, 2004

Members in Attendance:

John Bilafer
Kathleen Dias
Nancy Galkowski
Judie Phelps
Ruth Lewis
Steve O'Riordan
Kenneth Hughes*

* Denotes those not in attendance

The organizational meeting was called to order at 7:00 p.m. The Committee is comprised of a Selectmen as designated by the Board's Chair (Kathleen Dias); the Town Manager, or the Town Manager's designee (Nancy Galkowski); the finance Committee Chairman, or the Finance Committee Chairman's designee (Steve O'Riordan); the Town Treasurer (John Bilafer); Town Comptroller (Ruth Lewis) and one Town affiliated and one school affiliated member of the Health Insurance Advisory Committee (Judie Phelps – School, Kenneth Hughes - Town).

The first order of business was to elect officers. The following officers were elected: Chairman – John Bilafer, Vice Chairman – Steve O'Riordan and Secretary – Ruth Lewis.

The Committee reviewed the Warrant Article 49 from the 2004 Annual Town Meeting, which established this committee. The mission of the committee is to report to the 2005 Annual Town Meeting as to how the Town intends to fund and/or otherwise integrate the new accounting standards regarding the reporting of Other Post Employment Benefits as promulgated by the Government Accounting Standards Board.

John Bilafer handed out the actuarial valuation as of January 1, 2003 by Stone Consulting of the Town's post employment medical benefits unfunded liability. Discussion centered around what do we do – fund or not. Also the question was asked of Mr. Bilafer whether it affects the Town's bond rating. He said that in order to keep a high rating the Town would have to have some type of policy of funding the unfunded liability.

We need to recognize the liability and find creative ways to fund such liability or find other alternatives. John Bilafer had a suggestion that if the Retirement Board would approve he would recommend the funding date of the retirement system be pushed out to 2028 and the savings would go towards funding the post employment medical benefits. Also it was discussed whether the

State Legislature would make it mandatory to fund the liability.

John Bilafer said that he would try and get Larry Stone from Stone Consulting to come to our next meeting to discuss his report and answer any questions the committee might have.

The next meeting of the committee is schedule for February 10th at 6:00 p.m.
Meeting was adjourned at 8:00 p.m.